

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

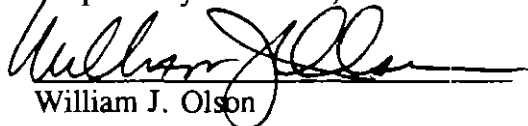
POSTAL RATE AND FEE CHANGES, 1997)

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

NASHUA PHOTO INC., DISTRICT PHOTO INC.,
MYSTIC COLOR LAB, AND SEATTLE FILMWORKS, INC.
THIRD INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS
TO POSTAL SERVICE WITNESS DAVID R. FRONK (NDMS/USPS-T32-24-31)
(August 26, 1997)

Pursuant to sections 25 and 26 of the Postal Rate Commission rules of practice, Nashua Photo Inc. (hereinafter "Nashua"), District Photo Inc. ("District"), Mystic Color Lab ("Mystic"), and Seattle FilmWorks, Inc. ("Seattle") (hereinafter collectively referred to as "NDMS"), proceeding jointly herein, hereby submit the following interrogatories and document production requests. If necessary, please redirect any interrogatory and/or request to a more appropriate Postal Service witness.

Respectfully submitted,



William J. Olson

John S. Miles

Alan Woll

William J. Olson, P.C.

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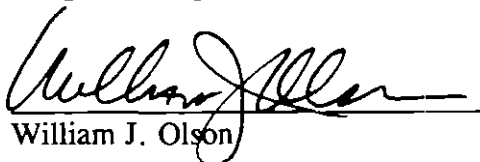
McLean, Virginia 22102-3823

(703) 356-5070

Counsel for Nashua Photo Inc., District Photo Inc.,
Mystic Color Lab, and Seattle FilmWorks, Inc.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served by hand delivery or mail the foregoing document upon all participants of record in this proceeding in accordance with Section 12 of the Rules of Practice.



William J. Olson

August 26, 1997

NDMS/USPS-T32-24.

Please refer to LR-H-112, Exhibit A, "Nonstandard Surcharge Costs", at "Percent of Nonstandard Pieces by Shape," which shows that the share of First-Class nonstandard letters, flats, and parcels is, respectively, 58, 39, and 3 percent.

- a. Please provide the raw data from which these percentages are computed.
- b. Please identify the time period from which the raw data underlying these percentages were compiled or derived.
- c. The reference provided with the above percentages is to Docket No. R90-1, LR-F-160. Please confirm that where these percentages appear in LR-F-160, Docket No. R90-1, no raw data were provided for the Base Year in that case, but instead there is only a reference to Docket No. R78-1, USPS-T-2. If you do not confirm, please provide the raw data underlying the percentages in LR-F-160, Docket No. R90-1, and indicate the year to which they apply.
- d. On how many occasions since Docket No. R78-1 has the Postal Service updated the data which underlie the percentages applicable to nonstandard First-Class letters, flats and parcels?

NDMS/USPS-T32-25.

In your response to NDMS/USPS-T32-4, you state that:

[b]y passing through additional costs associated with nonstandard pieces, I can send the appropriate signal to mailers and encourage the use of Standard, automation-compatible pieces.

- a. Please confirm that in the case of letters this would mean changing the aspect ratio to come within the dimensions for Standard-shaped letters. If you fail to confirm, please explain fully what incentive is intended.
- b. Please confirm that in the case of nonstandard First-Class flats the intended incentive is to encourage mailers of flats that weigh less than one ounce to convert to letter-shaped mail. If you fail to confirm, please explain fully what incentive is intended.
- c. What incentive is intended for mailers of nonletter, nonflat pieces (*i.e.*, "parcels") that weigh less than one ounce?
- d. What studies, analysis or other efforts have been undertaken by the Postal Service to ascertain whether the First-Class nonstandard surcharge has had any effect in reducing the volume of nonstandard First-Class letters and flats?

NDMS/USPS-T32-26.

Consider the situation where a mailer deposits a single-piece nonstandard First-Class letter (*e.g.*, a small note or greeting card) in a collection box with only a 32-cent stamp on it. What does the Postal Service normally do?

- a. Return it to the sender, marked insufficient postage?
- b. Deliver it to the addressee only on condition that the addressee pay the applicable surcharge as postage due?
- c. Deliver it to the addressee without any attempt to collect postage due?

NDMS/USPS-T32-27.

Consider the situation where a mailer deposits a single piece nonstandard First-Class flat (*i.e.*, a "flimsie" one ounce or less) in a collection box with only a 32-cent stamp on it. What does the Postal Service normally do?

- a. Return it to the sender, marked insufficient postage?
- b. Deliver it to the addressee only on condition that the addressee pay the applicable surcharge as postage due?
- c. Deliver it to the addressee without any attempt to collect postage due?

NDMS/USPS-T32-28.

- a. Can the FSM 1000 routinely sort light-weight flats or "flimsies," which witness Crum testified they were designed to handle in Docket No. MC97-2 (see his response to DMA/USPS-T7-20)?
- b. Since Docket No. R78-1, has the Postal Service conducted any studies or analyses of the effect of its ongoing mechanization program on the definition of First-Class nonstandard flats? If so, please provide citations and a copy of each study as a library reference if they are not already available through the Commission's docket room.

NDMS/USPS-T32-29.

- a. Your response to NDMS/USPS-T32-13 provides the data shown below for nonstandard First-Class letters. Please provide corresponding data for flats and parcels

1996 Nonstandard Volume (millions)			
	<u>Letters</u>	<u>Flats</u>	<u>Parcels</u>
Single Piece	325.6		
Presort	49.6		
Carrier Route	<u>8.0</u>		
Total	383.2		

- b. Please provide the source of the data for the volume of nonstandard letters, flats and parcels (*e.g.*, ODIS).
- c. Please indicate how letters and flats are determined to be nonstandard when the raw data are collected. (i) Do data collectors only count as nonstandard those pieces that have postage for the nonstandard surcharge affixed? If not, (ii) are letters measured and the aspect ratio computed? (iii) Are flats weighed?
- d. Of the total volume of single-piece nonstandard First-Class mail which the Postal Service delivered in Base Year 1996, what percentage is estimated to have actually paid the nonstandard surcharge?

NDMS/USPS-T32-30.

The response to NDMS/USPS-T32-10 states that:

[i]t is important to note that the average letter cost subtracted from parcels, flats, and manual letters also is not adjusted for any impact related to weight.

- a. What is the average weight of letters used to compute the average letter cost that is subtracted from parcels, flats and manual letters.
- b. For Base Year 1996 please provide the volume and distribution by one-ounce increments of (i) First-Class single-piece letters and (ii) First-Class presort letters.

NDMS/USPS-T32-31.

- a. What was the total volume of First-Class flats in Base Year 1996?
- b. Of the total volume of First-Class flats in Base Year 1996, how many or what percent are estimated to have been processed manually?
- c. If any of the following volume data are available for First-Class flats, please supply:

	Processed on Mechanized <u>Equipment</u>	Processed <u>Manually</u>
Under 1 oz.	_____	_____
Over 1 oz.	_____	_____